REMARKS

In the Office Action dated November 4, 2005, the Examiner objected to the Abstract, rejected claims 1-3, 8-13, and 18-23 under 35 U.S.C. § 102(b) as being anticipated by *Walker et al.* (U.S. Patent No. 6,018,718)[1], and rejected claims 4-6, 14-16, and 24-26 under 35 U.S.C. § 103(a) as being unpatentable over *Walker et al.*

Based on the following remarks, Applicants respectfully traverse the above rejections under 35 U.S.C. §§ 102(b) and 103(a).

I. The Objection to the Abstract

The Examiner objects to the Abstract because it contains more than 150 words. Accordingly, Applicants amend the Abstract to include less than 150 words and respectfully request that the objection be withdrawn.

II. The Rejection under 35 U.S.C. § 102(b)

In order to properly anticipate Applicants' claimed invention under 35 U.S.C. § 102(b), each and every element of the claim at issue must be found, either expressly described or under principles of inherency, in a single prior art reference. Further, "[t]he identical invention must be shown in as complete detail as is contained in the . . . claim." *See* M.P.E.P. § 2131. Finally, "[t]he elements must be arranged as required by the claim." *Id.*

[1] The Examiner rejects claims 1-3, 8-13, and 18-23 in the basis of the rejection, but addresses claims 1-3, 7-13, 17-23, 27-30 in the body of the rejection. Accordingly, Applicants assume the Examiner intended to reject claims 1-3, 7-13, 17-23, 27-30 under 35 U.S.C. § 102(b) in view of *Walker et al.* and responds accordingly in this response.

The Examiner asserts *Walker et al.* teaches a financial account that is associated with a reward incentive parameter indicating a predetermined amount of reward points that will be associated with the financial account based on a predetermined payment amount to the account. (OA at 3.) Applicants respectfully traverse the rejection under § 102..

Walker et al. discloses a method and system for processing reward offers provided to customers. The system collects transaction information associated with a financial account, and based on that information, determines whether a performance target has been met. If so, the system updates the financial account to reflect a reward provided to the customer. (Abstract.) Contrary to the Examiner's assertions, the performance targets and their corresponding rewards are not associated with payment amounts to the financial account. Instead, *Walker et al.* discloses a process that determines performance targets based on transaction information and the balance of the financial account. (*See, e.g.,* 8:6-28.) Although *Walker et al.* discusses characteristics associated with monthly payments, these characteristics are for a behavior score that is used as a statistical measure to manage accounts. (7:61-67.) They are not, as the Examiner implies, affiliated with reward incentives including points that are associated with a financial account. Indeed, *Walker et al.* does not disclose or even mention a financial account including a reward points parameter that will be associated with the account based on a predetermined payment amount to the account, as recited in claim 1.

Further, the Examiner is misplaced in asserting *Walker et al.* discloses determining an amount of reward points to associate with the financial account based

on the reward incentive parameter and a received payment amount to the financial account. (OA at 3.) Instead, *Walker et al.* merely discusses fields that are associated with a target/reward table 400 that includes a target type field that reflects the type of performance target a card holder must meet in order to receive rewards. (6:15-20.) As mentioned above, the type of performance targets disclosed by *Walker et al.* are in no way associated with a payment amount to the account. Instead, *Walker et al.* merely describes targets associated with the account's balance, number of transactions, etc. Further, the reward type field 418 disclosed by *Walker et al.* merely stores a code representing a type of reward offered to a card holder. *Walker et al.* does not teach or suggest performance targets and rewards based on payment amounts to the account and a reward incentive parameter, as recited in claim 1. In fact, the reward-based system disclosed by *Walker et al.* suffers from the same deficiencies identified in Applicants' specification (*See, e.g.,* Applicants' specification, ¶¶ 2-4), and thus does not provide motivation for a customer to make timely and proper payments for a financial account offering rewards.

Because *Walker et al.* does not teach each and every recitation of claim 1, the reference does not support the rejection of claim 1 under 35 U.S.C. § 102(b). Therefore, the Examiner has not established a *prima facie* case of anticipation and Applicants respectfully request that the Examiner withdraw the rejection and allow the claim.

The Examiner rejects claims 11 and 21 for the same reasons set forth for claim 1. (OA at 4-5.) As explained, *Walker et al.* does not teach or suggest all of the recitations of claim 1. Therefore, claims 11 and 21 are also distinguishable from the

cited art for at least the reasons set forth above in connection with claim 1, and Applicants request that the rejection of claims 11 and 21 under 35 U.S.C. § 102(b) be withdrawn and the claims allowed.

Claims 2, 3, and 7-10 depend from claim 1. Claims 12, 13, and 17-20 depend from claim 11. Claims 22, 23, and 27-30 depend from claim 21. As explained, *Walker et al.* does not teach or suggest all of the recitations of claims 1, 11, and 21. Therefore, claims 2, 3, 8-10, 12, 13, 18-20, 22, 23, and 27-30 are also distinguishable from the cited art for at least the reasons set forth above in connection with their respective independent claims 1, 11, and 21. Accordingly, Applicants request that the rejection of these claims under 35 U.S.C. § 102(b) be withdrawn and the claims allowed.

Further, *Walker et al.* does not teach the recitations of these claims. For example, column 10, lines 3-13 of *Walker et al.* does not disclose a process that determines whether a received payment is below a minimum payment. (OA at 3, 5, 7, and 8.) Instead, that portion of *Walker et al.* discloses a process of determining whether a card holder has achieved a performance target. As explained, *Walker et al.* does not teach performance targets associated with payment amounts, much less determining whether a received payment is below a minimum payment amount. Moreover, col. 11, lines 1-11 of *Walker et al.* does not disclose reducing the amount of reward points based on a determination that a received payment amount is below a minimum payment amount. (OA at 3, 5, 7, and 8.) Not only is *Walker et al.* completely silent on rewards associated with payment amounts, but it also does not suggest reducing reward points for any reason, much less a determination that a received payment amount is below a minimum payment amount. Instead, *Walker et al.* teaches away

from such features. For instance, *Walker et al.* describes a process that adjusts performance target parameters to allow a card holder to meet the target, and thus receive additional rewards. (11:1-11.) Therefore, because *Walker et al.* does not support the Examiner's rejection of claims 2, 3, 8-10, 12, 13, 18-20, 22, 23, and 27-30 under 35 U.S.C. § 102(b), the Examiner has not established a *prima facie* case of anticipation. For these additional reasons, Applicants request that the rejection of these claims be withdrawn and the claims allowed.

III. The Rejection under 35 U.S.C. § 103(a)

To establish a prima facie case of obviousness, three basic criteria must be met. First, the prior art reference or references, taken alone or combined, must teach or suggest each and every element recited in the claims. *See* M.P.E.P. § 2143.03. Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. *See* M.P.E.P. § 2143. Third, a reasonable expectation of success must exist. *See* M.P.E.P. § 2143.02. Moreover, each of these requirements must "be found in the prior art, and not based on applicant's disclosure." M.P.E.P. § 2143.

The Examiner asserts *Walker et al.* discloses reducing reward points and admits *Walker et al.* does not teach a performance value based on a payment due date. (OA at 9.) The Examiner, however, asserts *Walker et al.* teaches that a payment due date is a valid criteria for performance rewards in column 7, lines 61-67 and column 8, lines 51-60. Applicants traverse the rejection under § 103(a).

First, claims 4-6, 14-16, and 24-26 depend from claims 1, 11, and 21, respectively. As explained, *Walker et al.* does not teach or suggest all of the recitations of claims 1, 11, and 21. Therefore, claims 4-6, 14-16, and 24-26 are also distinguishable from the cited art for at least the reasons set forth above in connection with their respective independent claims 1, 11, and 21. Accordingly, Applicants request that the rejection of these claims under 35 U.S.C. § 103(a) be withdrawn and the claims allowed.

Additionally, as explained above, *Walker et al.* does not teach reducing reward points. Instead, *Walker et al.* discloses features that enable a customer to obtain additional reward points by adjusting performance criteria to allow the customer to meet a defined target. Further, the Examiner is incorrect in alleging *Walker et al.* teaches a payment due date is a valid criteria for performance rewards. (OA at 9 and 10.) Instead, *Walker et al.* discloses promptness of payments as a characteristic for a behavior score, which is used as a measure for managing accounts, and not for establishing performance targets. The rules for setting reward terms disclosed by *Walker et al.* also fail to mention payment due dates as a basis for rewards. Indeed, *Walker et al.* does not disclose or mention any correlation between payment due dates and performance targets, as alleged by the Examiner. Further, the Examiner admits *Walker et al.* does not teach a performance value based on a minimum payment amount, but alleges the reference indicates the extent of monthly payments as a valid criteria for performance rewards. (OA at 10.) As mentioned above, the behavior score characteristics taught by *Walker et al.* are not affiliated with any type of monthly

payment. Thus, the alleged modification of *Walker et al.* is not supported by the cited art.

Moreover, *prima facie* obviousness has not been established at least because there is no motivation to modify *Walker et al.* to render claims 4-6, 14-16, and 24-26 obvious. Rather, the Examiner relies on Applicants' disclosure as a blueprint for the hindsight required for this rejection. Determinations of obviousness must be supported by evidence in the record. *See In re Zurko*, 258 F.3d 1379, 1386 (Fed. Cir. 2001) (finding that the factual determinations central to the issue of patentability, including conclusions of obviousness by the Board, must be supported by "substantial evidence"). Further, the desire to combine references must be proved with "substantial evidence" that is a result of a "thorough and searching" factual inquiry. *In re Lee*, 277 F.3d 1338, 1343-1344 (Fed. Cir. 2002) (quoting *McGinley v. Franklin Sports, Inc.,* 262 F.3d 1339, 1351-52).

In this case, the Office Action does not show that a skilled artisan considering *Walker et al.* and not having the benefit of Applicant's disclosure, would have been motivated to combine or modify the references in a manner resulting in Applicants' claimed combination. In fact, the Examiner finds the alleged motivation for modifying the cited art based on a misapplication of the teachings of the reference. For instance, the Examiner asserts *Walker et al.* discloses minimum payment amounts and monthly payment due dates as a criteria for performance targets. AS discussed above, however, the reference simply does not support this assertion. Therefore the conclusions in the Office Action were not reached based on facts gleaned from the cited art and that, instead, teachings of the present application were improperly used in

hindsight to reconstruct the prior art. For at least these additional reasons, the Examiner has not established a *prima facie* case of obviousness with respect to the rejections under 35 U.S.C. § 103(a).

IV. Conclusion

In view of the foregoing remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: February 3, 2006

By: 

Joseph E. Palys
Reg. No. 46,508